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**NEW ORLEANS COMPUTER TECHNOLOGY VILLAGE, INC.**

**FINANCIAL STATEMENTS  
TOGETHER WITH  
INDEPENDENT ACCOUNTANTS' REPORT**

**FOR THE YEAR ENDED JUNE 30, 2006**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 5-2-07

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Certified Public Accountants  
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## INDEPENDENT ACCOUNTANTS' REPORT

To the Board of Directors  
New Orleans Computer Technology Village, Inc.

We have compiled the accompanying statement of financial position of **New Orleans Computer Technology Village, Inc. (NOCTVI)** as of June 30, 2006, the related statements of activities and cash flows for the year then ended, and the accompanying supplementary schedule of functional expenses which is presented only for supplementary analysis purposes, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements and supplementary schedule, information that is the representation of management. We have not audited or reviewed the accompanying financial statements and supplementary schedule of functional expenses and accordingly, do not express an opinion or any other form of assurance on them.

The accompanying financial statements have been prepared assuming that NOCTVI will continue as a going concern. The effects of Hurricane Katrina raises substantial doubt about its ability to continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

  
**BRUNO & TERVALON LLP**  
**CERTIFIED PUBLIC ACCOUNTANTS**

March 26, 2007

**NEW ORLEANS COMPUTER TECHNOLOGY VILLAGE, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 2006**

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**ASSETS**

Cash	\$ 32,615
Accounts receivable	10,600
Prepaid expenses and other assets	11,380
Equipment, net of accumulated depreciation of \$3,650 (NOTE 2)	<u>14,622</u>
Total assets	\$ <u>69,217</u>

**LIABILITIES AND NET ASSETS (DEFICITS)**

Liabilities:	
Bank overdrafts	\$ 34,850
Accounts payable and accrued liabilities	<u>58,185</u>
Total liabilities	<u>93,035</u>
Net assets (deficits):	
Unrestricted	<u>(23,818)</u>
Total net assets (deficits)	<u>(23,818)</u>
Total liabilities and net assets (deficits)	\$ <u>69,217</u>

See independent accountants' report and notes to financial statements.

NEW ORLEANS COMPUTER TECHNOLOGY VILLAGE, INC.  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2006

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**REVENUES**

Grants (NOTE 4)	\$ 160,000
Other income	<u>270</u>
Total revenues	<u>160,270</u>

**EXPENSES**

Program Services:	
Employment and training	<u>156,451</u>
Total program services	<u>156,451</u>
Support Services:	
General and administrative	<u>10,909</u>
Total support services	<u>10,909</u>
Total expenses	<u>167,360</u>
Change in net assets (deficits)	(7,090)
Net assets (deficits), beginning of year	<u>(16,728)</u>
Net assets (deficits), end of year	\$ <u>(23,818)</u>

See independent accountants' report and notes to financial statements.

**NEW ORLEANS COMPUTER TECHNOLOGY VILLAGE, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2006**

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**Cash Flows from Operating Activities:**

Change in net assets (deficits)	\$ (7,090)
Adjustments to reconcile change in net assets (deficits) to net cash used in operating activities:	
Depreciation	3,650
Loss on disposition of equipment	23,354
Changes in operating assets and liabilities:	
Decrease in accounts receivable	1,000
Increase in prepaid expenses and other assets	(730)
Increase in accounts payable and accrued liabilities	<u>27,829</u>
Net cash used in operating activities	<u>48,013</u>

**Cash Flows from Investing Activities:**

Purchase of equipment	<u>(18,272)</u>
Net cash used in investing activities	<u>(18,272)</u>

Net increase in cash	29,741
Cash at beginning of year	<u>2,874</u>
Cash at end of year	\$ <u>32,615</u>
Supplemental Cash Flow Information:	
Cash paid for interest	\$ <u>7,259</u>

See independent accountants' report and notes to financial statements.

**NEW ORLEANS COMPUTER TECHNOLOGY VILLAGE, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**NOTE 1 - Organization:**

The **New Orleans Computer Technology Village, Inc. (NOCTVI)** is a community based organization established in 2000 to provide disadvantaged persons with access to computers and technology-centered training that will better prepare them for today's technology driven market. **NOCTVI** operates with a primary mission to improve access to computers and technology training for disadvantaged communities.

**NOTE 2 - Summary of Significant Accounting Policies:**

**Principles of Accounting**

**NOCTVI** is a not-for-profit corporation whose financial statements are prepared on the accrual basis and in accordance with accounting principles generally accepted in the United States of America. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and during the reporting period. Actual results could differ from those estimates.

**Basis of Reporting**

In accordance with the provisions of Statement of Financial Accounting Standards (SFAS) No. 117, which establishes standards for external financial reporting by not-for-profit organizations, **NOCTVI** classifies resources for accounting and reporting purposes into three net asset categories which are unrestricted, temporarily restricted and permanently restricted net assets according to externally (donor) imposed restrictions.

**NEW ORLEANS COMPUTER TECHNOLOGY VILLAGE, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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**NOTE 2 - Summary of Significant Accounting Policies, Continued:**

A description of the three net asset categories is as follows:

- Unrestricted net assets include contributions not subject to donor-imposed stipulations. The revenues received and expenses incurred in conducting the mission of **NOCTVI** are included in this category. **NOCTVI** has determined that any donor-imposed restrictions for current or developing programs and activities are generally met within the operating cycle of **NOCTVI** and, therefore, **NOCTVI**'s policy is to record these net assets as unrestricted.
- Temporarily restricted net assets include contributions for which donor imposed time or purpose restrictions have not been met.
- Permanently restricted net assets are contributions stipulated by the donor-imposed restriction to be invested in perpetuity and only the income be made available for program operations in accordance with the donor restrictions. Such income is reflected in temporarily restricted net assets until utilized for donor imposed restrictions.

At June 30, 2006, **NOCTVI** did not have any temporarily restricted or permanently restricted net assets.



**NEW ORLEANS COMPUTER TECHNOLOGY VILLAGE, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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NOTE 2 - Summary of Significant Accounting Policies, Continued:

Equipment

Equipment of **NOCTVI** is recorded as an asset and is stated at historical cost, if purchased, or at fair market value at the date of the gift, if donated. Additions, improvements and expenditures that significantly extend the useful life of an asset are capitalized.

Depreciation is provided using the straight-line method over the estimated useful life of five (5) years:

Such assets and related accumulated depreciation consist of the following:

Equipment	\$ 18,272
Accumulated depreciation	<u>(3,650)</u>
Equipment, net	\$ <u>14,622</u>

Donated Services

**NOCTVI** receives donated services from a variety of unpaid volunteers. No amounts have been recognized in the statement of activities as the fair value of those services has not been determined.

Contributions and Grants

Revenues received under grant programs are recognized when earned. Contributions are considered to be available for unrestricted use unless specifically restricted by the donor.

NEW ORLEANS COMPUTER TECHNOLOGY VILLAGE, INC.  
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

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NOTE 2 - Summary of Significant Accounting Policies, Continued:

Income Taxes

NOCTVI is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities.

Cash Equivalents

For purposes of the statement of cash flows, NOCTVI considers all investments purchased with a maturity of three months or less to be cash equivalents. NOCTVI had no cash equivalents at June 30, 2006.

NOTE 3 - Contingency:

NOCTVI is a recipient of various grants. These grants are subject to the contractual requirements as set-forth in the grant agreements between NOCTVI and the applicable funding sources. The administration of these grants is under the control of NOCTVI and is subject to audit and/or review by the applicable funding sources.

**NEW ORLEANS COMPUTER TECHNOLOGY VILLAGE, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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NOTE 4 - Grants:

NOCTVI received grants from the following organizations during the year ended June 30, 2006:

Grants

State of Louisiana	\$ 150,000
Harrah's Casino	<u>10,000</u>
Total grants	\$ <u>160,000</u>

NOTE 5 - Fair Value of Financial Instruments:

The estimated fair value of all significant financial statement amounts have been determined by NOCTVI using available market information and appropriate valuation methodologies.

NOCTVI considers the carrying amounts of cash to be at fair value.

**NEW ORLEANS COMPUTER TECHNOLOGY VILLAGE, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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**NOTE 6 - Board of Directors Stipends:**

Stipends paid to members of the Board of Directors during the year ended June 30, 2006 were as follows:

<u>Board Member</u>	<u>Meetings</u>	<u>Amount</u>
Dr. Robert Hall	2	\$ 400
Ms. Lucille Williams	1	200
Mr. Willie Thompson	1	200
Mr. Elliot Willard	1	<u>200</u>
		\$ <u>1,000</u>

**NOTE 7 - Other Matters**

The effects of Hurricane Katrina on August 29, 2005, on the Gulf Coast, Louisiana and Greater New Orleans areas resulted in considerable loss of life and property, as well as to exacerbate weakening economic conditions. **NOCTVI** was not spared any of the effects of Hurricane Katrina given the location of its facilities and equipment located in New Orleans.

The primary financial statement impact of Hurricane Katrina pertains to the uninsured loss of equipment of with a net book value of \$23,354 and **NOCTVI**'s continued operations. During the period following August 29, 2005, **NOCTVI** has focused primarily on restoration of its operations.

**SUPPLEMENTARY INFORMATION**

**NEW ORLEANS COMPUTER TECHNOLOGY VILLAGE, INC.**  
**SCHEDULE OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2006**

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	Employment and <u>Training</u>	General and <u>Administrative</u>	<u>Total</u>
Salaries and wages	\$ 72,827	\$ -0-	\$ 72,827
Payroll taxes and fringes	14,423	-0-	14,423
Professional services	15,670	-0-	15,670
Board stipends	1,000	-0-	1,000
Travel and entertainment	1,520	-0-	1,520
Supplies	3,221	-0-	3,221
Occupancy	11,800	-0-	11,800
Telephone	3,993	-0-	3,993
Depreciation	-0-	3,650	3,650
Interest and bank charges	-0-	7,259	7,259
Other	8,643	-0-	8,643
Loss on destroyed equipment (NOTE 7)	<u>23,354</u>	<u>-0-</u>	<u>23,354</u>
 Total expenses	 \$ <u>156,451</u>	 \$ <u>10,909</u>	 \$ <u>167,360</u>

See Independent Auditors' Report on Supplementary Information.

## **NEW ORLEANS COMPUTER TECHNOLOGY VILLAGE, INC.**

### **EXIT CONFERENCE**

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The compilation report was discussed with the management of **New Orleans Computer Technology Village, Inc.** The individuals who participated in that discussion are outlined below. This report is intended solely for the use of the Board of Directors, management, the Legislative Auditor of the State of Louisiana and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

### **NEW ORLEANS COMPUTER TECHNOLOGY VILLAGE, INC.**

Mr. Gerald Williams	--	Executive Director
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### **BRUNO & TERVALON LLP, CERTIFIED PUBLIC ACCOUNTANTS**

Mr. Alcide J. Tervalon, Jr., CPA	--	Partner
Mr. Armand E. Pinkney	--	Manager